

March 22, 1977

LB 355

CLERK: LB 355. There are no E & R amendments but Senator Duis has amendments on the bill.

PRESIDENT: The Chair recognizes Senator Duis.

SENATOR DUIS: Mr. President, would the Clerk please read the amendment.

CLERK: Do you want the whole thing read?

SENATOR DUIS: No, if you wish, I will just explain the amendment.

PRESIDENT: That is fine.

SENATOR DUIS: LB 355, members of the Legislature, is the one that the State Tax Commissioner had in here to withhold from the armed forces their income tax and I have long been of the belief that anyone on active duty outside of the State of Nebraska should not be liable for an income tax. So I wish to amend LB 355 to state that no individual serving on active duty in the armed forces of the United States who is outside the State of Nebraska for more than one taxable year shall be considered to be a resident of Nebraska for purposes of the state income tax. What it is is a member of the armed forces on active duty outside of the State of Nebraska for over one taxable year would not be liable for state income tax. My reasoning here is that they are outside the State of Nebraska. They are drawing federal pay and they do not use any services of the State of Nebraska and I believe it would only be fair to them that they would not be levied state income tax.

PRESIDENT: Senator Cullan.

SENATOR CULLAN: Mr. President, members of the Legislature, I would just like to support Senator Duis' amendment. I think it makes a good deal of sense. As he said, if they are not in the State of Nebraska, they are not using our services and I see no reason to tax them on the state level.

PRESIDENT: Senator Simon.

SENATOR SIMON: I have some questions for Senator Duis, if he will yield.

SENATOR DUIS: I will try.

SENATOR SIMON: Senator Duis, can you tell me how many people would be affected by your amendment?

SENATOR DUIS: No, sir, I can't because I do not know the number that are on active duty outside of the State of Nebraska or who at that point would be liable for a tax anyway because of their pay rate.

SENATOR SIMON: Then the next question would probably be difficult for you to answer, too, then, as what would be the fiscal impact of your amendment?

SENATOR DUIS: I would not have any idea but I do not feel as though those people serving our federal government and our State of Nebraska in the armed services on active duty